

Fiscal Services Division

Legislative Services Agency

Fiscal Note

SF 413 - Fair Share Fees - Public Sector (LSB 2842 SV.1)

Analyst: Ron Robinson (Phone: (515) 281-6256) (ron.robinson@legis.state.ia.us)

Fiscal Note Version - New

Description

Senate File 413 authorizes the negotiating of fees in collective bargaining agreements for public employees to be charged to the bargaining unit's nonmembers. The employee organization must inform the Labor Commissioner of the amount of the fee and how it was determined. The fee must not exceed the regular membership dues paid by members and must not include costs of the employee organization that are not costs incurred by the employee organization. The fee must pertain to collective bargaining, contract administration, the adjustment of grievances, or the pursuit of other matters affecting wages, hours, or other conditions of employment. The Bill also provides that nonmembers of each bargaining unit must be given an annual notice of the amount of the fee and their rights as to challenging the amount that is being charged. Individual nonmembers must be permitted to challenge the amount of the fee at an impartial hearing before an arbitrator appointed by the American Arbitration Association. The Bill provides that the employee organization has the burden of proof relating to the amount of the fee to be charged. The Bill further provides that the employee organization must notify the public employer of any arbitrator's award and the public employer is only required to adjust the deduction from wages of the nonmembers who challenged the fee amount. The Bill takes effect upon enactment.

Background

There are approximately 1,200 recognized public employee bargaining units in the State, according to the Public Employment Relations Board.

There are approximately 25,000 State employees on the State payroll system, not including the Regents. The Regents have approximately 44,000 employees. The State payroll system tracks the number of employees in each bargaining unit for non-Regent employees; it does not track the number of employees that participate in the bargaining unit and agree to be represented.

The average annual dues for State, non-Department of Transportation employees, that are dues paying members of AFSCME (American Federation of State County and Municipal Employees), are approximately \$419, according to information provided by the Department of Administrative Services. The lowest payment is \$12.13 per pay period (\$315.38 annually) and the maximum is \$31.52 per pay period (\$819.52 annually).

The Department of Administrative Services provided the example below of bargaining units and the number of employees that pay dues for the employees covered by the AFSCME collective bargaining unit. The example excludes Regents, Judicial Branch, and Community Based Corrections.

AFSCME	COVERED BY CBA	MEMBERS	Percent
Clerical (001)	1,792	473	26.4%
Technical (002)	3,692	1,881	50.9%
Blue Collar (003)	2,208	1,113	50.4%
Fiscal & Staff (004)	2,153	466	21.6%
Fiscal & Staff -Field Staff (104)	334	125	37.4%
Security (006)	2,040	1,448	71.0%
Patient Care (011)	582	270	46.4%
TOTAL	12,801	5,776	45.1%

The Regents provided the example below of bargaining units and the number of employees that pay dues.

AFSCME	Number in unit	Number of dues payers	Percent
SUI	4,613	914	19.8%
ISU	1,764	226	12.8%
UNI	532	229	43.0%
ISD	52	16	30.8%
IBSSS	44	10	22.7%
Total Regents AFSCME	7,005	1,395	19.9%
SUI Graduate Students (COGS)	2,820	768	27.2%
SUI Tertiary Care (SEIU)	2,485	749	30.1%
UNI United Faculty	578	169	29.2%

The Regents have approximately 7,000 employees who belong to the collective bargaining units associated with the AFSCME. Of that amount, approximately 1,400 are dues paying members. The dues range from an average monthly payment of \$38.90 (\$466.80 annually) for members of Local 870 at Iowa State University, to \$17.22 (\$206.64 annually) for members of the Iowa State School for the Deaf and Hard of Hearing Local. Fees are typically based on a percentage of the employee's wage. Some locals establish minimums, maximums, or add additional monthly amounts.

Information for the number of employees, or the average amount paid by current dues-paying members, has not been obtained for the non-State public employers.

Assumptions

The total number of fee agreements that will be authorized and the number of employees impacted by the authorized agreements are unknown.

Fiscal Impact

Senate File 413 will have a minimal impact on the expenses of the State and all public employers in the State. The impact on public sector employees can not be determined since the Bill requires an agreement to implement the fee and the number of agreements and the number of impacted employees are unknown.

Sources

Board of Regents
Public Employment Relations Board
Department of Administrative Services

/s/ Holly M. Lyons

March 21, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
